

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 7726

BILL NUMBER: HB 1544

DATE PREPARED: Jan 10, 2001

BILL AMENDED:

SUBJECT: Youth Tobacco Issues.

FISCAL ANALYST: Sherry Fontaine

PHONE NUMBER: 232-9867

FUNDS AFFECTED: X GENERAL
X DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill removes the requirement that specified amounts of the money in the Youth Tobacco Education and Enforcement Fund be used for specified purposes. This bill amends the definition of "distribute" for purposes of the youth tobacco laws. The bill provides a defense that the person who distributed tobacco was the parent of the person who received the tobacco. The bill also allows the Indiana alcoholic beverage commission to retain an attorney to collect civil penalties relating to the sale, distribution, and possession of tobacco products by minors that have been assessed but that have not been paid.

This bill allows the Indiana Alcoholic Beverage Commission to provide alternative words for notices that are required to be posted on vending machines and retail establishments that sell tobacco. The bill provides that a person may not advertise or cause to be advertised tobacco products on a billboard or an outdoor advertisement where the tobacco advertising occupies an area that exceeds 14 square feet, including any advertisement that functions as a segment of a larger tobacco advertising unit or series. The bill also allows the Alcoholic Beverage Commission to adopt rules to determine how to measure the tobacco product advertising on a sign that contains both tobacco product advertising and advertising that is not tobacco related.

Effective Date: July 1, 2001.

Explanation of State Expenditures: The bill changes the definition of "distribute" for the purposes of youth tobacco laws which may increase offenses for the sale and distribution of tobacco to individuals under 18 years of age (a Class C infraction).

The bill also allows the Indiana Alcoholic Beverage Commission to retain an attorney to collect civil penalties relating to the sale, distribution, and possession of tobacco products by minors that have been assessed but that have not been paid. These costs should not add to state expenditures since the Commission

is also allowed to collect costs and reasonable attorney's fees. In addition, it allows the Commission to provide alternative words for notices that are required to be posted on vending machines and retail establishments that sell tobacco and establishes that a person may not advertise or cause to be advertised tobacco products on a billboard or an outdoor advertisement where the tobacco advertising occupies an area that exceeds 14 square feet (a violation of which is a Class C infraction).

This bill removes the requirement that specified amounts of the money in the Youth Tobacco Education and Enforcement Fund be used for specified purposes.

Explanation of State Revenues: If additional court cases occur, revenue to the state General Fund may increase if infraction judgments and court fees are collected. The maximum judgment for a Class C infraction is \$500, which are deposited in the state General Fund. If court actions are filed and a judgment is entered, a court fee of \$70 would be assessed. 70% of the court fee would be deposited in the state General Fund if the case is filed in a court of record or 55% if the case is filed in a city or town court.

Explanation of Local Expenditures:

Explanation of Local Revenues: If additional court actions are filed and a judgment is entered, local governments would receive revenue from the following sources: (1) The county general fund would receive 27% of the \$70 court fee that is assessed in a court of record. Cities and towns maintaining a law enforcement agency that prosecutes at least 50% of its ordinance violations in a court of record may receive 3% of court fees. If the case is filed in a city or town court, 20% of the court fee would be deposited in the county general fund and 25% would be deposited in the city or town general fund. (2) A \$3 fee would be assessed and, if collected, would be deposited into the county law enforcement continuing education fund. (3) A \$2 jury fee is assessed and, if collected, would be deposited into the county user fee fund to supplement the compensation of jury members.

State Agencies Affected: Indiana Alcoholic Beverage Commission.

Local Agencies Affected: Trial courts, local law enforcement agencies.

Information Sources: